

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7217

BILL NUMBER: HB 1972

NOTE PREPARED: Jan 24, 2003

BILL AMENDED:

SUBJECT: Township Assistance Matters.

FIRST AUTHOR: Rep. Stilwell

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

X

IMPACT: State & Local

Summary of Legislation: This bill has several provisions concerning the township Poor Relief program.

(A) Expands the definition of "wasted resources" to include lump sum payments.

(B) Provides that a township is not obligated to provide assistance to an applicant who has been denied assistance under a federal food program.

(C) Allows for compensation of a hearing officer who conducts hearings of poor relief appeals. (Current law prohibits compensation of a hearing officer.) The bill also specifies that upon appeal the standard for review of a trustee's poor relief determination is whether the determination constitutes an abuse of discretion.

(D) Limits: (1) interim medical assistance by a township to 90 days; and (2) prescription drug coverage and insulin to a 30-day supply. It also allows an advanced practice nurse to apply for insulin.

(E) Provides that private insurance coverage of the medical treatment received disqualifies an individual from receiving township medical assistance.

(F) Requires the Office of Medicaid Policy and Planning (OMPP) to create an administrative plan concerning reimbursement to townships for medical assistance provided to an individual while the individual is waiting for an eligibility determination under Medicaid if the individual would have been eligible to receive the medical services under Medicaid.

(G) Requires the preparation of legislation changing the term "poor relief" to "township assistance" in the Indiana Code.

(H) Repeals: (1) a provision stating that a township is not obligated to assist individuals who receive state

assistance; and (2) the requirement that the township report to the county auditor quarterly on poor relief.

Effective Date: July 1, 2003.

Explanation of State Expenditures: See *Explanation of Local Expenditures* regarding potential Medicaid reimbursement to townships.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill contains several provisions that potentially can affect costs and reimbursements within a township's Poor Relief program. The aggregate impact that may occur in Indiana's 1,008 township Poor Relief programs cannot be projected and will depend largely on individual trustee actions.

The following are provisions of the bill that could result in reduced costs or increased reimbursements in a township's Poor Relief program.

(A) The bill expands the definition of "wasted resources". Currently, resources wasted by an applicant can be considered by a trustee when granting Poor Relief. Wasted resources are defined as the amount of money or resources expended on items that are not basic necessities in the 30 days previous to application for Poor Relief, as well as income, resources, or tax-supported services voluntarily lost or reduced during the 60 days previous to application. This bill expands this definition to include lump sum payments, including tax refunds, expended on something other than basic necessities when there were amounts due for basic necessities.

(B) The bill also provides that a township is not obligated to provide assistance to an applicant who has been denied assistance under a federal food program, such as Food Stamps. This provision already exists with respect to the Temporary Assistance to Needy Families (TANF) program.

(D) The bill limits interim medical assistance by a township to 90 days and limits prescription drug coverage and insulin to a 30-day supply.

(E) The bill also provides that private insurance coverage of the medical treatment received disqualifies an individual from receiving township medical assistance.

(F) The Office of Medicaid Policy and Planning (OMPP) is required by the bill to create an administrative plan concerning reimbursement to townships for medical assistance provided to an individual while the individual is waiting for an eligibility determination under Medicaid if the individual would have been eligible to receive the medical services under Medicaid. Currently, if a township trustee has paid Poor Relief funds to physicians to provide medical care to a recipient and if the recipient subsequently becomes eligible for Medicaid, the only way for the trustee to get reimbursed for medical expenditures is to request that the physician seek Medicaid reimbursement and then pass the reimbursement on to the trustee. The bill provides that OMPP allow trustees to apply directly to the Medicaid program for reimbursement. If this were to occur, Medicaid expenditures would likely increase by some amount and township expenses would decrease. However, the initial determination from OMPP is that this would not be permitted under federal Medicaid regulations since the trustee or the township Poor Relief program could not be considered a medical provider.

The following are provisions of the bill that could result in increased costs in a township's Poor Relief program.

(C) The bill allows for compensation of a hearing officer who conducts hearings of poor relief appeals. Currently, this is prohibited and attorneys serve as hearing officers for no pay or county commissioners perform this function. This provision permits, but does not require, the reimbursement of hearing officers. The expense would be to the county.

(H) The bill repeals a provision stating that a township is not obligated to assist individuals who receive state assistance. This would permit township trustees to provide assistance to individuals who also receive TANF assistance.

Explanation of Local Revenues: See *Explanation of Local Expenditures* regarding potential Medicaid reimbursement to townships.

State Agencies Affected: Office of Medicaid Policy and Planning.

Local Agencies Affected: Townships.

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